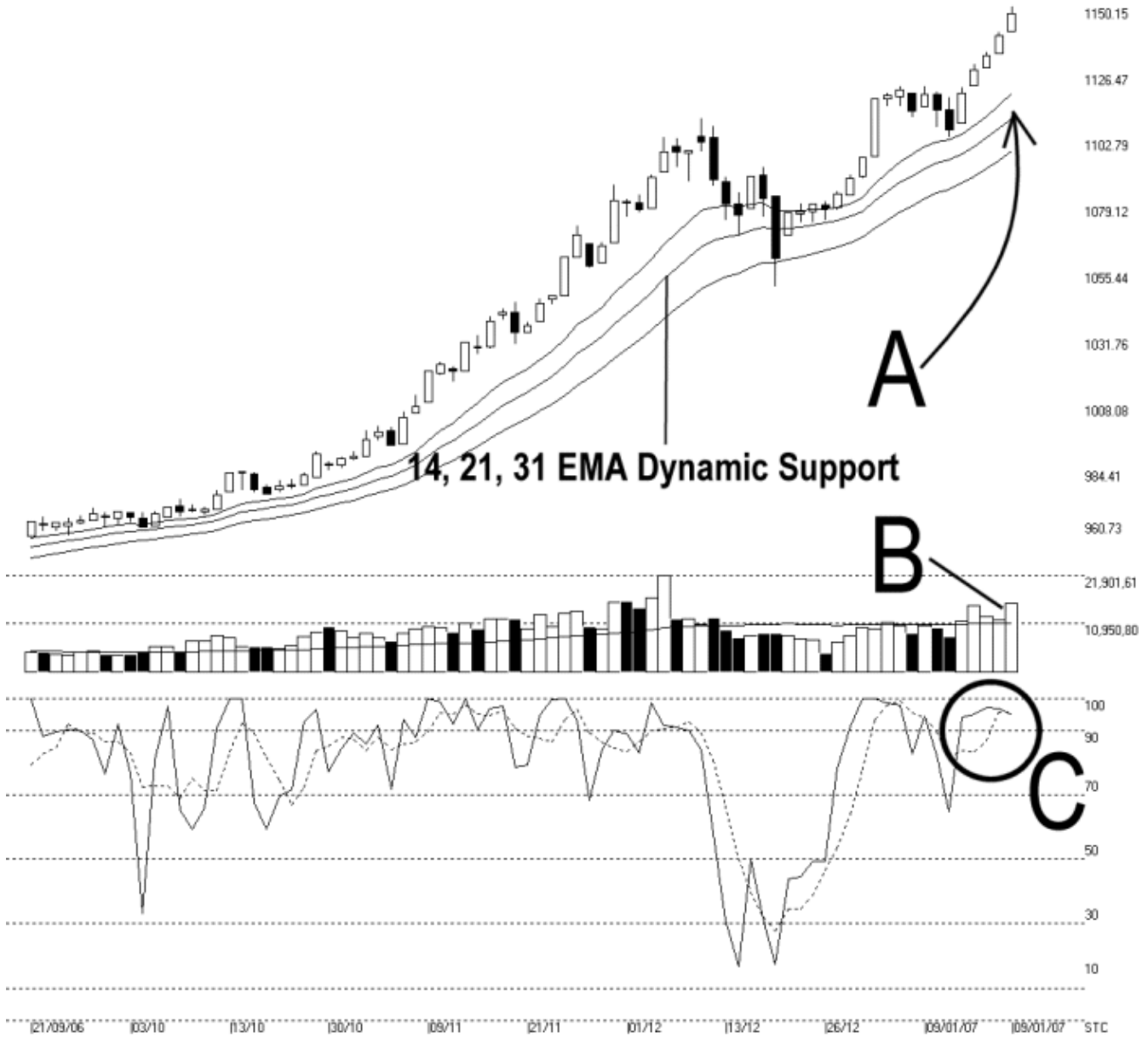




Straits Index (M) Sdn Bhd.
WinChart Technical Analysis
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Open:1141.260 High:1150.150 Low:1141.260 Close:1147.660 +7.950(0.7%) Volume:15,608,314 (+3838337.32.6%)
 COMPOSITE INDEX [COMPOSITE] 21/09/2006 - 18/01/2007 Ticks=80 Moving Averages e[14,21,31] - Volume Daily
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Composite Index Daily Technical Analysis, 18/01/2007, by Straits Index (M) Sdn Bhd

KLCI touched another multi-year new higher on Thursday at 1150.15 points before closing slightly below that at 1147.66 points. Immediate support for the KLCI remained at 1121 level while the 14, 21, 31 EMA is still serving as the dynamic support. Therefore, as long as the KLCI could continue staying above the rising dynamic support, the outlook for the KLCI remained positive bias. (Study A)

Total market volume on Thursday increase 32.6%, with 15.6 million shares traded. Mean while, as pointed by B, total market volume managed to stay above the 40 days VMA level. This suggested that the market participation was still relatively active, and if the volume could remained above the 40 days VMA level, the bullish sentiment is likely to sustain. (Study B)

As mentioned in yesterday's analysis, both %K and %D lines of the Stochastic has gone up above 90% level, suggested that he short-term movement was indeed bullish, but however over heated. Therefore, chances for a technical correction is higher at the moment. Nonetheless, with Stochastic still situated above 70% level, market movement for the short-term is still bullish. (Study C)